

MicroLoans

The Microloan Program provides very small loans to start-up, newly established, or growing small business concerns. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. The average loan size is about \$13,000. Applications are submitted to the local intermediary and all credit decisions are made on the local level.

Terms, Interest Rates, and Fees:

The maximum term allowed for a microloan is six years. However, loan terms vary according to the size of the loan, the planned use of funds, the requirements of the intermediary lender, and the needs of the small business borrower. The maximum loan amount is \$35,000, however, the average loan amount is around \$13,000. Interest rates vary, depending upon the intermediary lender and costs to the intermediary from the U.S. Treasury. Generally these rates will be between 8 eight percent and thirteen percent.

Collateral

Each intermediary lender has its own lending and credit requirements. However, business owners contemplating application for a microloan should be aware that intermediaries will generally require some type of collateral, and the personal guarantee of the business owner.

Technical Assistance

Each intermediary is required to provide business based training and technical assistance to its microborrowers. Individuals and small businesses applying for microloan financing may be required to fulfill training and/or planning requirements before a loan application is considered.

How to Apply:

Small businesses that are interested in applying for a microloan should contact one of the following microlenders:

Donna DeLong-Hamilton
[Enterprise Development Corporation](#)
910 East Broadway, Suite A
Columbia, MO 65201
(573) 875-8117
E-mail: ddelong@socket.net

Sheri Flanigan-Vazquez
[Justine Petersen Housing & Reinvestment Corporation](#)
1023 North Grand Boulevard
St. Louis, MO 63106
(314) 533-2411
E-mail: sflanigan@justinepetersen.org

Lucas Berhorst
[RMI](#)
3324 Emerald Lane
Jefferson City, MO 65109
(573) 635-0136
(800) 234-4971
E-mail: lucas@rmiinc.org